

**COUNCIL ACTION FORM**

**SUBJECT: ELECTRIC METER SUPPLY CONTRACT FOR THE ELECTRIC SERVICES DEPARTMENT**

**BACKGROUND:**

This proposed action is for the purchase of standard residential single phase, AMR (Automated Meter Reading) residential single phase, AMR poly phase, and AMR programmable demand socket type electric meters to meet the needs of the Electric Services Department inventory. These meters will be purchased from an Electric Services Technical Services Division inventory asset account and charged to the appropriate operations accounts as the meters are put into use.

This contract is to provide electric meters for the period from July 1, 2020, through June 30, 2021. The contract includes a provision that would allow the City to renew the contract for up to two additional one-year terms.

Under the proposed contract, electric meters would be purchased at the City's discretion, which may be quarterly or on an as-needed basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. Bid prices plus applicable sales taxes, which are applicable to the purchase of this equipment, are paid directly by the Utility. Funds for the meters will be used from the Operating Expense account, which is \$104,358.00 for FY20-21. **Council should note that no contract amount is being authorized at this time, since purchase orders will be made as these meters are purchased.**

On July 23 2020, an Invitation to Bid document was issued to 11 companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage.

On August 12, 2020, three bids were received as shown below.

	<b>VISION METERING <u>York, SC</u></b>	<b>VAN WERT COMPANY <u>Grundy Center, IA</u></b>	<b>FLETCHER REINHARDT <u>Cedar Rapids, IA</u></b>
<b><u>GROUP 1 - Non-AMR Meters</u></b>	\$3,230.00	\$3,300.00	\$3,718.00
<b><u>GROUP 2 - AMR Meters – Single Phase</u></b>	\$65,520.00	\$67,176.00	NO BID
<b><u>GROUP 3 - AMR Meters 2ERTs Single Phase</u></b>	\$2,100.00	\$6,384.00	NO BID
<b><u>GROUP 4 - AMR Meters 2ERTs Polyphase/Demand</u></b>	\$9,160.00	\$16,240.00	NO BID
<b><u>GROUP 5 - AMR Meters 2ERTs Polyphase/Demand</u></b>	\$936.00	\$912.00	NO BID
<b><u>GROUP 6 - AMR Meters 3ERTs Polyphase/Demand</u></b>	\$16,380.00	\$15,370.00	NO BID

	<b>VISION METERING</b> <u>York, SC</u>	<b>VAN WERT COMPANY</b> <u>Grundy Center, IA</u>	<b>FLETCHER REINHARDT</b> <u>Cedar Rapids, IA</u>
<b>Lead Time ARO</b>	Groups 1, 3, 4, 5, 6: 3-4 weeks Group 2: 4-8 weeks	Groups 1, 2: Stock to 8 weeks Groups 3, 4, 5: 6-8 weeks Group 6: 4-8 weeks	Group 1: Stock

Council should note that the evaluation amounts are based on unit prices and estimated quantities from prior year purchases. The recommended award is based on the estimated total evaluated cost, as well as response time.

The specification was written to allow meters to be awarded by group.

Staff reviewed the bids and concluded that the apparent low bids based on estimated quantities are acceptable for Groups 1, 3, 4, 5, and 6. The meters in Group 2 are in high demand and need to be delivered in a timely manner. The low bidder offered a 6-8 week lead time, which is extensive. The next low bidder stocks the needed meter for a quick delivery. For less than \$2,000, the meters are more readily available. Group 2 should be awarded to the second low bidder.

**ALTERNATIVES:**

1. a. Award a contract to Vision Metering, York, South Carolina, for the purchase of electric meters in Groups 1, 3, and 4 in accordance with unit price bid. **This option considers both price and critical delivery time.**
  - b. Award a contract to Van Wert Company, Grundy Center, Iowa, for the purchase of electric meters in Groups 2, 5, and 6 in accordance with unit price bid.
  - c. Electric meters will be purchased as requested. Payments will be based on unit prices bid and actual quantities ordered, plus applicable sales taxes.
2. Award a contract to the low bidder in each Group. **This option considers only the lowest price.**
  - a. Vision Metering, York, South Carolina, for the purchase of electric meters in Groups 1, 2, 3, and 4 in accordance with unit price bid.
  - b. Van Wert Company, Grundy Center, Iowa, for the purchase of electric meters in Groups 5 and 6 in accordance with unit price bid.
  - c. Electric meters will be purchased as requested. Payments will be based on unit prices bid and actual quantities ordered, plus applicable sales taxes.
3. Reject all bids and purchase electric meters on an as needed basis at unpredictable prices.

**MANAGER'S RECOMMENDED ACTION:**

It is important to purchase electric meters at the lowest possible cost, together with timely deliveries, with minimal risk to the City to meet customer needs for new service or emergency replacements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.